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DE RUEHTC #0355/01 1141209  
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FM AMEMBASSY THE HAGUE  
TO RUEHC/SECSTATE WASHDC 1377  
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE  
RUCNIRA/IRAN COLLECTIVE  
RUEHTC/AMCONSUL AMSTERDAM 3953  
RUEAIIA/CIA WASHDC  
RUEATRS/DEPT OF TREASURY WASH DC  
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C O N F I D E N T I A L SECTION 01 OF 02 THE HAGUE 000355

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TREASURY FOR TFFC AND OFAC

E.O. 12958: DECL: 04/01/2018

TAGS: [PREL](#) [MNUC](#) [KNNP](#) [IR](#) [UNSC](#) [NL](#)

SUBJECT: NETHERLANDS/IRAN: IMPLEMENTING IRAN SANCTIONS

REF: A. GIAQUE GAERC EMAIL 4/18/08

- [1](#)B. SECSTATE 34974
- [1](#)C. SECSTATE 29464
- [1](#)D. SECSTATE 29096
- [1](#)E. THE HAGUE 299

Classified By: CHARGE D'AFFAIRES MICHAEL F. GALLAGHER FOR REASONS 1.5(B)  
) AND (D)

[1](#)1. (C) SUMMARY: On April 22, Charge D'Affaires discussed Iran sanctions with MFA Director for the Middle East and North Africa, Baroness van Lynden-Leijten, who confirmed continuing Dutch support for robust implementation of UNSC resolution [1](#)1803. At the same time, the Netherlands wants to keep the dialogue option open. Earlier, Emboffs delivered reftels B-D, and had received assurances of Dutch intent to implement Iran sanctions. END SUMMARY.

STRONG COMMITMENT TO IRAN SANCTIONS  
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[1](#)2. (C) Van Lynden-Leijten told Charge on April 22 that with regards to Iran, the international community needs to be "beating them with a stick" and show them we are "not pussy footing around." At the same, the Netherlands wants to keep the option of dialogue open. Reviewing ref A points on EU negotiations, Van Lynden-Leijten noted that the Netherlands is part of the EU group favoring "robust" sanctions. The EU deliberations on Iran are "done" and there is an agreement in principle. Asked whether she saw any signs of positive change in Iran, Van Lynden-Leijten said there were no clear signs but that it was important to continue with the "two-track" approach of dialogue and sanctions. (Comment: While Van Lynden-Leijten supported the U.S. approach on 1803, she also alluded to U.S. extraterritorial laws, asking how the U.S. overlooked German, Swiss and Italian economic activities with Iran. End comment.)

[1](#)3. (C) In an earlier discussion, Dutch MFA officials Loek ten Hagen, Department of Middle East and North Africa Affairs, and Jeroen Boender, Department of Political Affairs, stated that the Slovenian EU presidency has been slow to implement [1](#)1803. The Dutch are willing to impose sanctions beyond 1803 if Iran does not comply, but unlike the British, the Dutch do not want to go beyond the 1803 sanctions without an additional UNSC resolution.

¶4. (C) Dutch implementation of the financial restrictions of UNSC 1803 (reftel D) are discussed in reftel E. During April, Poloff held follow-up discussions on reftels B-D with Ten Hagen and Boender. Boenders and Ten Hagen reviewed implementation of the student visa provisions of UNSC 1737 and the financial limitations, dual use, asset freeze and travel ban provisions of UNSC 1803.

¶5. (C) On student visas, the Netherlands primarily implements the limits through denial of visas to pursue certain technical studies. The Dutch will also finalize new rules in the coming weeks. The Dutch intend to follow the "British model." First, they will implement stricter limits on access to nuclear facilities. Second, they will identify technical studies barred to Iranian citizens without permission of the intelligence service. Boender indicated the Dutch universities were cooperating with the government's efforts.

¶6. (C) Regarding financial limitations, the Dutch can implement many of the requirements immediately. The Dutch have no ongoing export promotion projects to stop. The Dutch will bar any government programs that lead to new investments. However, the Dutch will not close their trade office Tehran. The office has a limited role, and urges investors to "exercise caution." Export credits will in effect be closed, although there are some ongoing transactions supported by credits. Given the cumbersome nature of the new checks, the Dutch expect no new transactions.

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¶7. (C) Ten Hagen and Boender echoed concerns of the Dutch Finance ministry (reftel E), that shutting down Bank Markazi (Iran's central bank) would be "one step too far." Adding the current list of banks to the sanctions list was difficult as it affected 1.5 billion euros in trade and outstanding debt. However, the Dutch double checked and found Bank Melli's "hand in the cookie jar" despite the fact that 99% of its business was legitimate. Trade with Iran is declining. According to a business contact, it's "almost impossible" to find a bank to support a deal.

¶8. (C) Regarding dual use items, embassy shared reftel points with ten Hagen and Boender at the MFA and Kees Jan Steenhoek, Senior Policy Adviser at the Ministry of Economic Affairs. Boender noted that the Netherlands already has a strict licensing procedure in place for dual use items. However, following the British model -- pushing for a full ban -- might be difficult for the Netherlands to support.

¶9. (C) The travel ban and asset freeze are relatively easy to implement, according to Boender, you just need to "add the names" to legislation.  
Gallagher